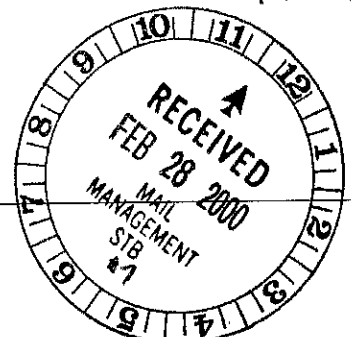


ONTARIOPOWER GENERATION

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VIA COURIER

February 25, 2000

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
Case Control Unit,
Attn: STB Ex Parte No. 582
1925 K Street, N.W.
Washington, DC 20423-0001
USA

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Dear Secretary Williams:

Ontario Power Generation Inc. is a power generation utility that is a major user of rail service in the United States and Canada. In 2000, we expect to move approximately 17 million tons of coal for our generating stations, of which about 15 million tons will move in the United States on CSX, NS, BNSF and B&LE. The approximately 2 million tons of Canadian origin coal will move on CN.

The purpose of this letter is to comment on the issues to be discussed on March 8th, 2000, at the hearing resulting from STB Ex Parte No. 582. I would, however, like to state up front that my comments are not intended to favour or disfavour any particular railroad or any specific railroad consolidation, proposed or hypothesized. Rather they are intended to address service to and competition for shippers such as my company.

I believe that the central issue is the type of consolidation, not the fact of consolidation nor the timing of consolidation. The recent consolidations in the United States which seem to have resulted in service disruptions are those which involve railroads in overlapping service areas. In contrast, the recent CN/IC consolidation, which was end-to-end (or end-to-middle), appears to be successful from a customer service point of view. I believe that similar end-to-end consolidations, such as proposed by CN/BNSF or as may result from other railroads responding competitively to a CN/BNSF action, will also give far fewer service issues for shippers than the "overlap" type of consolidation.

Regarding competition, I expect that arguments will be made at the March 8th hearings that eventual consolidation to, say, two east - west transcontinental alliances, will reduce competition. My company's experience in the eastern United States, in the period leading up to and following the split of Conrail and the absorption of the pieces by CSX and NS, has been the opposite. We have found the two major eastern railroads to be very competitive, especially where they jointly serve a specific mine, but also where they access different mines in the same coal region (e.g. Central Appalachia).

Yours truly,

G. R. (Grant) Seiveright
Director, Fuels Division
Electricity Production